

AIR

ICE-A-10267

Chief, PGB

Chief, Berlin Operations Base

CALL/CADORN/Operational

ZIPPER/GUYER/CARL T-1/CARL T-2

INFO: L, M, BOM, CADRAIR

cc to PP/9

Route: D/L

EE/FI

EE/FI 8/2

Ref: SGPAL-6982

1. Action will be taken along lines recommended in reference cable.
2. Ref. para 2. We do not share your opinion that GARNET-2's "multiple AF connections" pose a problem. We have some reason for believing that his contacts with CIC have ceased, but cannot state this for a fact. Within the agency, both KUGORN and EUPIN have an equity in GARNET-2. This aspect, however, has been thoroughly and satisfactorily coordinated here and gives no further rise for concern.
3. A more serious aspect of the existing confusion is the fact that KUGORN is sinking sizeable funds into GARNET-1's East Zone enterprise in the editorial part of which GARNET-2 plays a pivotal part. We surmise that some of the money we contribute is going into GARNET-1's intelligence collection effort which we are told has been preempted by ZIPPER. We further believe that CARL T-2 may have been using KUGORN assets developed with finances contributed to WAGLE, specifically a sizeable part of the distribution apparatus, as a recruitment and intelligence collection reservoir. Inasmuch as GARNET-2 is knowledgeable to most of KUGORN's transactions with CARL T-1, we are thus faced with what amounts to a ZIPPER penetration of one of our most important operations in this field. While this does not necessarily affect the operational security of the project as a whole or detract from its accomplishments, we do not savour the idea of financing ZIPPER's efforts by proxy as it were. Nor does it strike us as particularly sound practice to give an avowed ZIPPER agent untrammelled access to the assets of a KUGORN financed distribution net.
4. None of the issues raised in this memorandum are particularly pressing or serious. We would, however, like to arrive with you at certain joint conclusions which may prevent future mishaps. With this purpose in mind, we would recommend that you obtain from ZIPPER a clear statement as to the nature of their relationship with CARL T-2 and regarding the objectives it is designed to attain, provided this can be done without mention of KUGORN's specific interests.

slp:bjt

Distribution:

2 - PGB (Direct); 2 - (Direct);

3-COM: 1 - Buhl - CADRAIR

1 - BOM

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CENTRAL INTELLIGENCE AGENCY  
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5. In view of ZIPPER's claim upon GARLET-2's services and also because we strongly doubt whether headquarters would ever be prepared to clear him for full operational use we have decided to desist from further exploitation of his contacts unless they are turned over to us with no strings attached. We shall also continue to accept delivery of GARLET's information reports. All this, however, does not still our misgivings about the ZIPPER/GARLET-2 relationship as regards TPOASIS, a problem, which calls for a great deal more reflection and which may have to be solved by clamping upon the TPOASIS distribution net a system of tight and exclusive RUBANK control.

6. We would appreciate your keeping us posted on further developments in this case, since precaution tells us that it should be considered far from closed. We are in particular interested in obtaining from you copies of all intelligence reports which can be clearly attributed to GARLET-2 as a source.

Date of origin: 11 December 1952

Approved by: